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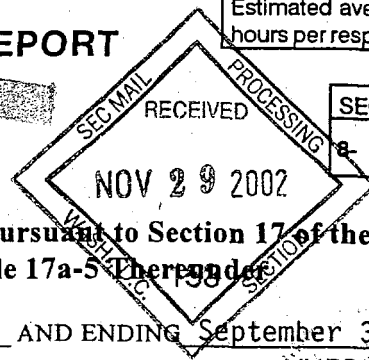


02053122 UNITED STATES
EXCHANGE COMMISSION
Washington, D.C. 20549

UF 12-5-02

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

ANNUAL AUDITED REPORT
FORM X-17A-5
PART III



SEC FILE NUMBER
49696

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING October 1, 2001 AND ENDING September 30, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Haywood Securities (U.S.A.) Inc.

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)
2000 - 400 Burrard Street

OFFICIAL USE ONLY
FIRM I.D. NO.

(No. and Street)

Vancouver
(City)

B.C., Canada
(State)

V6C 3A6
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Charles Dunlap (604) 697-7108 (Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ellis Foster Chartered Accountants

(Name - if individual, state last, first, middle name)

1650 West 1st Avenue
(Address)

Vancouver
(City)

B.C., Canada
(State)

V6J 1G1
(Zip Code)

CHECK ONE:

- ☐ Certified Public Accountant
☐ Public Accountant
☒ Accountant not resident in United States or any of its possessions.

PROCESSED
DEC 13 2002

FOR OFFICIAL USE ONLY	THOMSON FINANCIAL
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*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

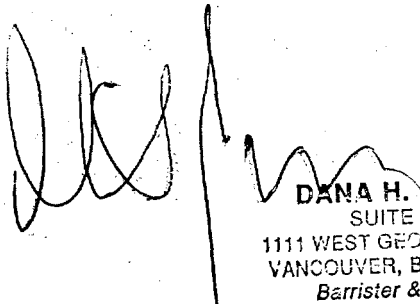
SEC 1410 (06-02)

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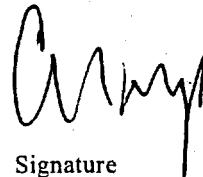
P5
12/9/02

OATH OR AFFIRMATION

I, Charles Dunlap, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Haywood Securities (U.S.A.) Inc., as of September 30, 20 02, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:


DANA H. PRINCE
SUITE 1810
1111 WEST GEORGIA STREET
VANCOUVER, B.C. V6E 4M3
Barrister & Solicitor

Notary Public



Signature

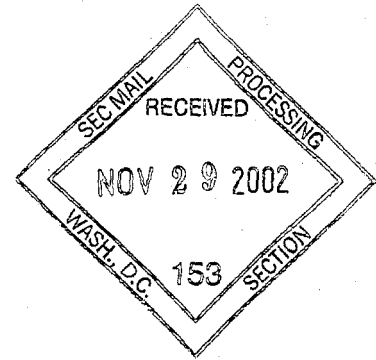
Chief Financial Officer

Title

This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☒ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☐ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

--For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).



HAYWOOD SECURITIES (U.S.A.) INC.

Annual Audited Report

September 30, 2002

HAYWOOD SECURITIES (U.S.A.) INC.

Financial Statements

September 30, 2002 and 2001

Index

Auditors' Report

Statements of Financial Condition

Statements of Income

Statements of Cash Flows

Statements of Changes in Stockholder's Equity

Statements of Changes in Liabilities Subordinated
to Claims of General Creditors

Notes to Financial Statements

ELLIS FOSTER

CHARTERED ACCOUNTANTS

1650 West 1st Avenue
Vancouver, B.C., Canada V6J 1G1
Telephone: (604) 734-1112 Facsimile: (604) 714-5916
E-Mail: generaldelivery@ellisfooster.com
Website: www.ellisfooster.com

AUDITORS' REPORT

To the Stockholder of

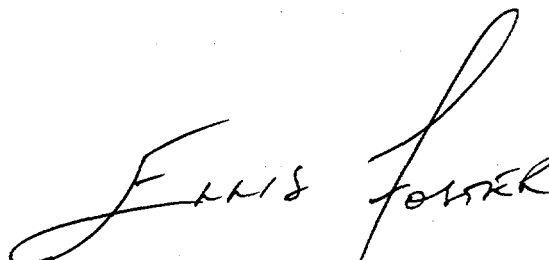
HAYWOOD SECURITIES (U.S.A.) INC.

We have audited the statements of financial condition of **Haywood Securities (U.S.A.) Inc.** as at September 30, 2002 and 2001 and the statements of income, stockholder's equity, cash flows, and changes in liabilities subordinated to claims of general creditors for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at September 30, 2002 and 2001 and the results of its operations, cash flows and changes in liabilities subordinated to the claims of general creditors for the years then ended in accordance with generally accepted accounting principles.

Vancouver, Canada
November 20, 2002


Chartered Accountants



*A partnership of incorporated professionals
An independently owned and operated member of Moore Stephens North America Inc., a member of Moore Stephens International Limited
- members in principal cities throughout the world*

HAYWOOD SECURITIES (U.S.A.) INC.

Statements of Financial Condition
September 30, 2002 and 2001
(In U.S. Dollars)

	2002	2001
ASSETS		
Cash	\$ 536,547	\$ 287,941
Deposits receivable from broker/dealer	113,924	101,577
Due from Haywood Securities Inc., without interest or stated terms of repayment	518	-
	\$ 650,989	\$ 389,518
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current		
Accounts payable	\$ 18,998	\$ 4,105
Income taxes payable	99,518	1,041
	118,516	5,146
Due to Haywood Securities Inc., without interest or stated terms of repayment	-	353
Liabilities subordinated to claims of general creditors (note 3)	350,000	350,000
	468,516	355,499
Stockholder's equity		
Common stock (note 4)	100	100
Retained earnings	182,373	33,919
Total stockholder's equity	182,473	34,019
	\$ 650,989	\$ 389,518

Approved by the Directors.

Director

ELLIS FOSTER

Director

HAYWOOD SECURITIES (U.S.A.) INC.

Statements of Income
Years Ended September 30, 2002 and 2001
(In U.S. Dollars)

	2002	2001
Income		
Commissions	\$ 545,538	\$ 36,251
Management fee	95,051	76,118
Interest income	10,583	16,174
	651,172	128,543
Expenses		
B.C. capital tax	1,154	1,123
Commissions	279,092	18,126
Consulting fees	-	2,700
Information services	84,878	63,432
Membership and exchange fees	20,970	14,438
Professional fees	16,986	15,181
Office and general (recovery)	(2,674)	498
	400,406	115,498
Income before income taxes	250,766	13,045
Income taxes	102,312	2,733
Net income for the year	\$ 148,454	\$ 10,312

HAYWOOD SECURITIES (U.S.A.) INC.

Statements of Cash Flows
Years Ended September 30, 2002 and 2001
(In U.S. Dollars)

	2002	2001
Cash flows from operating activities		
Net income	\$ 148,454	\$ 10,312
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Increase (decrease) in accounts payable	14,893	(872)
Increase (decrease) in income taxes payable	98,477	(2,333)
(Increase) decrease in deposit receivable	(12,347)	1,978
(Decrease) increase in intercompany payable/receivable	(871)	494
Net increase in cash during the year	248,606	9,579
Cash position, beginning of year	287,941	278,362
Cash position, end of year	\$ 536,547	\$ 287,941

HAYWOOD SECURITIES (U.S.A.) INC.

Statements of Changes in Stockholder's Equity
Years Ended September 30, 2002 and 2001
(In U.S. Dollars)

	Common Stock		Retained Earnings	Total
	Shares	Amount		
Balance at September 30, 2000	10	\$ 100	\$ 23,607	\$ 23,707
2001 net income	-	-	10,312	10,312
Balance at September 30, 2001	10	100	33,919	34,019
2002 net income	-	-	148,454	148,454
Balance at September 30, 2002	10	\$ 100	\$ 182,373	\$ 182,473

HAYWOOD SECURITIES (U.S.A.) INC.

Statements of Changes in Liabilities Subordinated to Claims of General Creditors
September 30, 2002 and 2001
(In U.S. Dollars)

Balance, September 30, 2002 and 2001	\$	350,000
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HAYWOOD SECURITIES (U.S.A.) INC.

Notes to Financial Statements
September 30, 2002 and 2001
(In U.S. Dollars)

1. Nature of Operations

Haywood Securities (U.S.A.) Inc. is a registered broker/dealer incorporated under the laws of British Columbia, Canada on September 9, 1996.

2. Significant Accounting Policies

(a) Financial Instruments

The Company's financial instruments consist of cash, deposits receivable from broker/dealer, amounts due to/from Haywood Securities Inc., accounts payable and liabilities subordinated to claims of general creditors. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

(b) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates.

3. Liabilities Subordinated to Claims of General Creditors

Liabilities subordinated to the claims of general creditors represent loans from the Company's parent, Haywood Securities Inc. The loans are covered by agreements approved by the Exchange, and are thus available to the Company in computing net capital under the Rule. To the extent that such borrowings are required for the Company's continued compliance with the minimum net capital requirements, they may not be repaid. The subordinated note is without interest or specific terms of repayment.

HAYWOOD SECURITIES (U.S.A.) INC.

Notes to Financial Statements
September 30, 2002 and 2001
(In U.S. Dollars)

4. Common Stock

Authorized:

10,000 common shares without par value

Issued and outstanding:

		2002	2001
10 common shares	\$	100	\$ 100

5. Net Capital Requirements

The Company is subject to the Securities and Exchange Commission's Uniform Net Capital Rule (the "Rule"), which requires the maintenance of minimum net capital.

Haywood Securities (U.S.A.) Inc. follows the primary (aggregate indebtedness) method under rule 15c3-1 which requires it to maintain minimum net capital of \$250,000. At September 30, 2002, the Company had net capital of \$633,463 (2001 - \$371,944), an excess of \$383,463 (2001 - \$121,944) over the minimum required.

FOCUS REPORT - PART I I A
Computation of Net Capital

As of 09 / 30 / 02

Firm Name : HAYWOOD SECURITIES (USA) INC.

Firm ID : 042072

1	Total Ownership Equity (o / e)		182,473
2	Deduct o / e not allowable for net capital		
3	Total o / e qualified for net capital		182,473
4	Add:		
A	Allowable subordinated liabilities		350,000
B	Other deductions or credits		
	Description	Amount	
	Accounts payable	18,998	
	Income taxes payable	99,518	
			<u>118,516</u>
5	Total cap & allowable subloans		650,989
6	Deductions &/or charges		
A	Total non-allowable assets		
B	Secured demand note deficiency		
C	Cap chrgs for spot & commodity futures		
D	Other deductions & / or charges		-17,526
7	Other additions & / or allowable credits		
	Description	Amount	
			<u> </u>
8	Net capital before haircuts		633,463
9	Haircuts on securities:		
A	Contractual commitments		
B	Subordinated debt		
C	Trading and investment sec:		
	1 Exempted securities		
	2 Debt securities		
	3 Options		
	4 Other securities		
D	Undue concentration		
E	Other		
	Description	Amount	
			<u> </u>
10	Net Capital		633,463

FOCUS REPORT - PART I I A
Computation of Net Capital

As of 09 / 30 / 02

Firm Name : HAYWOOD SECURITIES (USA) INC.

Firm ID : 042072

11	Minimum net capital required (based on Aggregate Indebtedness)	
12	Minimum Dollar Requirement	<u>250,000</u>
13	Net Cap reqmt (greater of line 11 or 12)	<u>250,000</u>
14	Excess Net Capital	383,463
15	Exc net cap @ 1000% (net cap - 10% of AI)	633,463

Computation of Aggregate Indebtedness

16	Total AI Liab from Balance Sheet	
17	Add:	
A	Drafts for immediate credit	
B	Mkt val of sec borrowed where no equiv value is paid or credited	
C	Other unrecorded amounts	
	Description	Amount
		<hr/>
19	Total Aggregate Indebtedness	
20	Ratio of AI/NC	
21	Percentage of debt to debt equity	

As of 09 / 30 / 02

Firm Name: Haywood Securities (USA) Inc.

Firm ID: 042072

**Schedule: Computation of determination of Reserve Requirements Pursuant
to Rule 15c3-3**

This particular schedule is not applicable to the above firm as at September 30, 2002
due to the non-existence of client/customer accounts in the accounts of the Firm.
As a result, the schedule is not included as part of the annual audit report.

**Schedule: Information Relating to the Possession or control Requirements
under Rule 15c3-3**

This particular schedule is not applicable to the above firm as at September 30, 2002
due to the non-existence of client/customer accounts in the accounts of the Firm.
As a result, the schedule is not included as part of the annual audit report.

**Schedule: Report Describing Any Material Inadequacies Found to Exist Since the
Date of the Last Audit**

No material inadequacies noted during the year ended September 30, 2002.

Reconciliation of Computation of Net Capital

As of 09 / 30 / 02

Firm Name: Haywood Securities (USA) Inc.

Firm ID: 042072

Net Capital per Firm (per Sept 30, 2002 Focus Report) \$625,716

Add:

Accounts payable 18,998

Income taxes payable 99,518

Audit adjustments to retained earnings (3,920)

Audit adjustments to revenue and expense accounts (106,849)

Net Capital per audited Computation of Net Capital \$633,463
